

## Message Text

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73

ACTION ARA-20

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 INT-08 SCEM-02 PA-03

PRS-01 USIA-15 DRC-01 /138 W  
----- 024504

R 032325Z OCT 73

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 3855

USDOC WASHDC

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMU

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY TOKYO

USCINCSO

C O N F I D E N T I A L SAN SALVADOR 3756

E.O. 11652 N/A

TAGS: ETRN; ELAB; EAID; BGIN; ES; NU; JA

SUBJ: MOLINA PRESS CONFERENCE: ECONOMIC/COMMERCIAL ASPECTS

REF: SAN SALVADOR 3255 NOTAL; SAN SALVADOR A-127

1. IN AN OCTOBER 3 PRESS CONFERENCE, PRES MOLINA RESPONDED TO QUESTIONS CONCERNING THE PLANNED COMALAPA JET PORT, CONTINUING EFFORTS TO SOLVE PROBLEMS WITH THE GULF OF FONSECA FERRY LINK, THE CERRON GRANDE HYDRO PROJECT AND MINIMUM WAGE POLICIES.

2. MOLINA ANNOUNCED THE GOES DECISION TO BUILD THE PROPOSED COMALAPA JET PORT FOR AN ESTIMATED 62 MILLION COLONES (US \$24.8 MILLION). BASED ON A JAPANESE FEASIBILITY STUDY, THE PROJECT IS NOW IN THE DESIGN STAGE, ALSO BEING DONE BY A JAPANESE FIRM. MOLINA SAID THAT FOREIGN MINISTER BORGONOVO  
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WILL BE SEEKING FINANCING IN EUROPE AND JAPAN DURING HIS CURRENT

TOUR. RELATED PROJECTS, NOT INCLUDED IN WHJSPMI# MILLION AIRPORT PACKAGE, INCLUDE CONSTRUCTION OF A 25-30 KILOMETER ARTERIAL HIGHWAY BETWEEN AIRPORT AND SAN SALVADOR, AND DEVELOPMENT OF CUSTOMS-FREE ZONES IN AND AROUND THE SITE AND MAJOR TOURISM FACILITIES NEARBY.

3. THE PRESIDENT ALSO SAID HIS GOVT FULLY SUPPORTS PRIVATE SALVADORAN EFFORTS TO PURCHASE AND OPERATE A FERRY ACROSS THE GOL OF FONSECA. (COMMENT: FERRY SERVICE IS INADEQUATE AND EXPENSIVE AND IS A CONTINUING CAUSE OF CONCERN TO THE GOES. THE ADVERSE COMMERCIAL IMPACT OF THIS SITUATION IS ESPECIALLY WORRISOME AND MOLINA HAS PERSONALLY DISCUSSED THE PROBLEM WITH PRESIDENT SOMOZA ON AT LEAST ONE OCCASION.)

4. THE PRESIDENT ALSO MENTIONED HIS AUGUST VISIT TO THE CERRON GRANDE PROJECT AND SAID WORK ON THE DIVERSION TUNNEL SHOULD BE COMPLETED THIS YEAR AND DAM CONSTRUCTION SHOULD BEGIN IN 1974.

5. CONCERNING MINIMUM WAGE POLICIES, MOLINA STATED THE GOES IS STUDYING MEANS BY WHICH WAGE SCALES CAN BE TIED DIRECTLY TO THE COST OF LIVING.

6. COMMENT: THE GOES DECISION TO BUILD THE COMALAPA AIRPORT WAS NOT UNEXPECTED. HOWEVER, PRESIDENT MOLINA'S COMMENT THAT FOREIGN MINISTER BORGONOVO WILL SEEK EUROPEAN OR JAPANESE FINANCING, WITHOUT MENTIONING A POSSIBLE US ROLE, DOES NOT BODE WELL FOR US BUSINESSES INTERESTED IN THE PROJECT, NOTWITHSTANDING PAST ASSURANCES THAT BIDDING WILL BE FREELY OPEN TO ALL INTERESTED FIRMS.  
MOSKOWITZ

NOTE BY OC/T: # AS RECEIVED, WILL BE SERVICED UPON REQUEST.

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